

## STATE OF SOUTH CAROLINA

## (Caption of Case)

Application of Avondale Mills, Inc. for Approval of a  
New Schedule of Rates and Charges for Water and  
Sewerage Services Provided to Customers

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

ORIGINAL

196701

COVER SHEET

Posted: led  
Dept: SA.  
Date: 12/30/08  
Time: 12:45

DOCKET

NUMBER: 2008 - 460 - WS

(Please type or print)

Submitted by: Scott ElliottSC Bar Number: 1872

Address: Elliott & Elliott, P.A.  
721 Olive Steet  
Columbia, SC 29205

Telephone: 803-771-0555Fax: 803-771-8010

Other: \_\_\_\_\_

Email: sellott@elliottlaw.us

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

## DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input checked="" type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

ORIGINAL

ELLIOTT & ELLIOTT, P.A.

ATTORNEYS AT LAW

721 OLIVE STREET

COLUMBIA, SOUTH CAROLINA 29205

[selliott@elliottlaw.us](mailto:selliott@elliottlaw.us)

SCOTT ELLIOTT

TELEPHONE (803) 771-0555

FACSIMILE (803) 771-8010

December 23, 2008

**VIA HAND DELIVERY**

Mr. Charles Terreni  
Chief Clerk of the Commission  
SC Public Service Commission  
P. O. Drawer 11649  
Columbia, SC 29211

RECEIVED  
2008 DEC 23 PM 12:07  
SC PUBLIC SERVICE  
COMMISSION

RE: Application of Avondale Mills, Inc. for Approval  
of a New Schedule of Rates and Charges for Water  
and Sewerage Services Provided to Customers  
Docket No.:

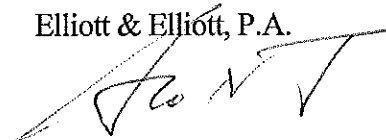
Dear Mr. Terreni:

Enclosed please find an original and fifteen (15) copies of the Application of Avondale Mills, Inc. for Approval of a New Schedule of Rates and Charges for Water and Sewerage Service Provided to Customers in all areas served, together with a Certificate of Service on the Office of Regulatory Staff. I have enclosed one extra copy of this application, which I would ask you to date stamp and return to me via my courier.

If you have questions, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/jcl

Enclosures

cc: C. Dukes Scott, Esq. w/enc.  
Jack R. Altherr, Jr.

ORIGINAL

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**

**DOCKET NO. \_\_\_\_\_**

IN RE: Application of Avondale Mills, Inc. )  
for Approval of a New Schedule of )  
Rates and Charges for Water and )  
Sewerage Services Provided to )  
Customers )

**APPLICATION FOR  
RATE INCREASE**

RECEIVED  
DEC 23 11:12:01  
SC PUBLIC SERVICE  
COMMISSION

Avondale Mills Inc. ("Avondale") hereby applies to the Public Service Commission of South Carolina ("Commission") for approval of an increase in its existing water and sewer rates pursuant to Commission rules and regulations and S.C. Code Ann. 58-5-240. In support of its application, Avondale provides the following information:

1. Avondale is a closely held corporation organized and existing under the laws of the State of Alabama and is a public utility within the meaning of S.C. Code Ann. 58-5-10(3). Avondale furnishes water distribution service and sewer collection service to 616 water customers and 495 sewer customers in Graniteville and Vacluse communities in Aiken County, South Carolina.
2. Avondale acquired the existing water and sewer system in September 1996 from the Graniteville Company. Commission Order 96-661 in Docket No. 96-144 W/S approved the purchase and granted Avondale a Certificate of Public Convenience and Necessity to operate a water and sewer utility in Aiken County, South Carolina in the territory formerly served by the Graniteville Company.

3. In Commission Order 96-661 in Docket No. 96-144 W/S the Commission approved rates and charges for Avondale which were originally approved for the Graniteville Company in Order No. 80-52 in Docket No. 79-423 W/S dated January 29, 1980.
4. Since the acquisition by Avondale of the water and sewer system in September 1996 Avondale has been operating under water and sewer rates which were originally approved by the Commission in 1980. Since Avondale's acquisition of the water and sewer system, the cost to provide service to its customers has drastically increased from the 1980 cost levels which were the basis of the current rates. Since the acquisition of the system by Avondale, the utilization of bulk water providers (Breezy Hill Water and Sewer Company and Valley Public Service Authority) has resulted in drastic increases in the cost to provide water service versus the provision of water through Avondale's own well system. In addition, the utilization of Aiken County Public Service Authority for sewer treatment has also resulted in increased cost to provide sewer service versus Avondale's own treatment system.
5. The drastic increases in cost to provide water and sewer service since the current rates were approved in 1980, have resulted in the stockholders of Avondale subsidizing the water and sewer operation by \$700,000 - \$800,000 on an annual basis during fiscal years ending in August 2006, 2007 and 2008.
6. In addition to seeking approval of the water and sewer rates contained in this application, Avondale seeks approval of the depreciation rates which have been utilized in this application.

7. Avondale purchases bulk water from Breezy Hill Water and Sewer Company and Valley Public Service Authority and purchases sewer treatment from Aiken County Public Service Authority. In this application Avondale seeks Commission approval of a pass through mechanism to reflect increases from Avondale's bulk water providers and sewer treatment provider.
8. Avondale proposes a test year in this application of 12 months ended August 29, 2008 and has prepared certain financial documents relating to the test period in support of the application, which are attached hereto and incorporated herein by this reference as Exhibits A through H.
9. Avondale commits to file with the Commission prior to a final decision by the Commission in this matter updated water and sewer bonds to satisfy the requirements of S.C. Code Ann. 58-5-720.
10. Avondale commits to file any updates to the current service area maps prior to a final decision by the Commission in this matter.
11. Avondale has included all outstanding water and sewer annual reports as an attachment to this application.
12. All communication or inquiries regarding this application should be directed as set forth below:

Applicant's Representative:

Jack R. Altherr, Jr., President  
Avondale Mills, Inc.  
506 South Broad Street  
Monroe, Georgia 30655  
770-267-2226

Legal Counsel:

Scott Elliott, Esquire  
721 Olive Street  
Columbia, South Carolina 29205  
803-771-0555  
803-771-8010  
[selliott@elliottlaw.us](mailto:selliott@elliottlaw.us)

**NEED AND JUSTIFICATION FOR RATE RELIEF  
AND RATE SCHEDULE MODIFICATION**

- A. During the twelve month test year ending August 29, 2008, Avondale lost \$864,725 on a per book basis. The resulting Operating Margin is negative 780.33%. After accounting and pro forma adjustments for known and measurable changes, the loss is \$613,099 which results in a negative Operating Margin of 554.35%
- B. The current rates, under which Avondale is now operating, were approved by the Commission in January of 1980, therefore it has been over twenty eight (28) years since rates have been adjusted.
- C. It is the responsibility of the stockholders of Avondale to maintain the financial integrity of the utility. The stockholders have subsidized the water and sewer operation over the last three fiscal years by \$700,000 - \$800,000 on an annual basis. Without the approval of the rates contained in this application funds will not be available to provide proper maintenance, upgrades, and additions that are required to meet the standards mandated by the Department of Health and Environmental Control and other regulatory bodies. Avondale asserts that the rates requested in this application are needed to properly maintain the quality of

service to our customers while mitigating the obligation to subsidize the water and sewer operation currently being experienced by the stockholders.

**THEREFORE**, having fully set forth its application, Avondale prays that the Commission approve the rates proposed and grant to Applicant such other further relief as the Commission may deem just and proper.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Elliott", is written over a horizontal line.

Scott Elliott, Esquire  
Elliott & Elliott, P.A.  
721 Olive Street  
Columbia, SC 29205  
803-771-0555  
803-771-8010

Attorney for Applicant

Columbia, SC

December 23, 2008

# EXHIBIT A

## **Propose Schedule of Rates and Charges**

## EXHIBIT A

### AVONDALE MILLS, INC. PROPOSED SCHEDULE OF RATES AND CHARGES

#### WATER

##### 1. Monthly Recurring Charges

###### RESIDENTIAL & COMMERCIAL CUSTOMERS:

Base Facilities Charge	\$8.00
Commodity Charge	\$4.50 per 1000 Gallons

###### APARTMENT COMPLEX – MULTIPLE BUILDINGS SERVED BY A SINGLE METER:

Base Facilities Charge	\$50.00
Commodity Charge	\$4.50 per 1000 Gallons

###### IRRIGATION CUSTOMERS:

Base Facilities Charge	\$12.00
Commodity Charge	\$5.65 per 1000 Gallons

###### INDUSTRIAL CUSTOMERS:

Base Facilities Charge	\$50.00
Commodity Charge	\$4.50 per 1000 Gallons

##### 2. Nonrecurring Charges

###### Water Tap-In Fee For New Connections

A. 5/8 " Meter	\$550.00
----------------	----------

B. Meter tap fees for meters larger than 5/8" will be based on a single-family equivalent (SFE) using the DHEC contributory loading criteria.

### 3. Notification, Account Set-Up, and Reconnection Charges

- A. Notification Fee: A fee of five dollars (\$5.00) shall be charged each customer to whom the utility mails the notices as required by Commission Rule R. 103-535 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.
- B. Customer Account Charge: A one time fee of \$15.00 will be charged to defray the cost of initiating a new customer's service.
- C. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of \$35.00 shall be due prior to the utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5.

### 4. Late Penalty Charge

Avondale may charge a late-payment penalty up to the maximum amount allowed by applicable South Carolina Statute and/or Public Service Commission rule.

### 5. NSF Check Charge

Avondale may charge a NSF check charge up to the maximum amount allowed by applicable South Carolina Statute and/or Public Service Commission rule.

## SEWER

### 1. Monthly Recurring Charges

#### RESIDENTIAL & COMMERCIAL CUSTOMERS:

Base Facilities Charge	\$6.00
Commodity Charge	\$6.50 per 1000 Gallons

#### APARTMENT COMPLEX – MULTIPLE BUILDINGS SERVED BY A SINGLE METER:

Base Facilities Charge	\$35.00
Commodity Charge	\$6.50 per 1000 Gallons

## INDUSTRIAL CUSTOMERS:

Base Facilities Charge	\$35.00
Commodity Charge	\$6.50 per 1000 Gallons

### 2. Nonrecurring Charges

#### Sewer Tap-In Fee For New Connections

A. 5/8" Meter	\$550.00
---------------	----------

B. Meter tap fees for meters larger than 5/8" will be based on a single-family equivalent (SFE) using the DHEC contributory loading criteria.

### 3. Notification, Account Set-Up, and Reconnection Charges

- A. Notification Fee: A fee of five dollars (\$5.00) shall be charged each customer to whom the utility mails the notices as required by Commission Rule R. 103-535 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.
- B. Customer Account Charge: A one time fee of \$15.00 will be charged to defray the cost of initiating a new customer's service.
- C. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of \$250.00 shall be due prior to the utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R. 103-532.4.

### 4. Late Penalty Charge

Avondale may charge a late-payment penalty up to the maximum amount allowed by applicable South Carolina Statute and/or Public Service Commission rule.

### 5. NSF Check Charge

Avondale may charge a NSF check charge up to the maximum amount allowed by applicable South Carolina Statute and/or Public Service Commission rule.

# **EXHIBIT B**

**Statement of Net Assets in Liquidation  
August 29, 2008**

**AVONDALE INCORPORATED**

**CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION (UNAUDITED)**  
(In thousands)

August 29, 2008

<b>ASSETS</b>	
Cash and cash equivalents .....	\$ 21,083
Accrued interest income .....	680
Assets - salvage .....	10,033
Refundable income taxes .....	3,227
Other assets .....	<u>1,942</u>
Total assets .....	<u>36,965</u>
<b>LIABILITIES</b>	
Accounts payable .....	155
Liquidation reserve .....	15,125
Commitments and contingencies .....	<u>15,280</u>
Total liabilities .....	<u>15,280</u>
<b>NET ASSETS IN LIQUIDATION .....</b>	<b><u>\$ 21,685</u></b>

# **EXHIBIT C**

**Proforma Income & Expense Statements**

**Operating Margins for the Test Year 2008**

**Adjustments for the Test Year 2008**

# EXHIBIT C

## AVONDALE MILLS, INC. PRO FORMA INCOME AND EXPENSE STATEMENT TWELVE MONTHS ENDED AUGUST 29, 2008

	PER BOOK	PRO FORMA	AS ADJ.	PROP INC.	AFTER INC.
REVENUES:	\$	\$	\$	\$	\$
Metered Water and Sewer	110,816		110,816	613,010(8)	723,826
Total Water and Sewer Revenue	110,816		110,816	613,010	723,826
OPERATING EXPENSES:					
Wages & Taxes	137,981	4,139(1)	142,120		142,120
Contracted Labor	57,279	1,718 (2)	58,997		58,997
Power	6,820		6,820		6,820
Purchased Water	358,509	(222,969)(3)	135,540		135,540
Purchased Sewer Treatment	13,608	46,152(4)	59,760		59,760
Lab Testing	9,253		9,253		9,253
Treatment Chemicals	3,110		3,110		3,110
Maintenance & Repairs	221,985	(109,073)(5)	112,912		112,912
Vehicle Expense	4,753		4,753		4,753
Depreciation	144,456	12,119 (6)	156,575		156,575
Office Supplies and Printing	4,500		4,500		4,500
Telephone Expense	4,500		4,500		4,500
Other Miscellaneous Expense	6,000		6,000		6,000
Licenses, Permits & Taxes	2,787		2,787	4,547(9)	7,334
Rate Case Expenses	0	17,500 (7)	17,500		17,500
Total Operating Expenses	975,541	(250,414)	725,127		729,674
OPERATING INCOME (LOSS)	(864,725)	250,414	(614,311)	608,463	(5,848)
OPERATING MARGIN(LOSS)	(780.32%)		(554.35%)		(.8079%)

## EXHIBIT C

### EXPLANATION OF ACCOUNTING AND PRO FORMA ADJUSTMENTS

Adjustment # 1 – Avondale proposes to increase wages and taxes to reflect a 3% inflation adjustment.

Adjustment #2 – Avondale proposes to increase contracted labor to reflect a 3% inflation adjustment.

Adjustment #3 – Avondale proposes to reduce purchased water cost to reflect a 20% unaccounted for water factor.

Adjustment #4 – Avondale proposes to increase purchased sewer treatment cost to reflect an annualized expense level.

Adjustment #5 – Avondale proposes to reduce maintenance & repairs to reflect capitalization of an item erroneously included as a maintenance expense in per book expenses.

Adjustment #6 – Avondale proposes to reflect annual depreciation expense related to the item reclassified as a capitalized item in Adjustment #5.

Adjustment #7 – Avondale proposes to reflect rate case expenses such as legal fees, consultant fees and other miscellaneous items such as the projected cost of acquiring updated water and sewer bonds.

Adjustment #8 – Avondale proposes to adjust metered water and sewer revenues based on the company's proposed rates.

Adjustment #9 – Avondale proposes to reflect gross receipts taxes on the proposed increase in water and sewer revenue.

# **EXHIBIT D**

**Comparative Income & Expense Statements**

**For 2007 and the Test Year 2008**

# EXHIBIT D

## AVONDALE MILLS, INC. COMPARATIVE INCOME AND EXPENSE STATEMENTS FISCAL YEAR AUGUST 31, 2007 AND TEST YEAR ENDING AUGUST 29, 2008

	AUGUST 31, 2007	AUGUST 29, 2008
	\$	\$
REVENUES:		
Metered Water and Sewer Revenue	109,225	110,816
OPERATING EXPENSES:		
Wages & Taxes	141,317	137,981
Contracted Labor	47,446	57,279
Power	4,545	6,820
Purchased Water & Sewer Treatment	316,145	372,117
Lab Testing	8,544	9,253
Treatment Chemicals	1,046	3,110
Maintenance & Repairs	21,028	221,985
Vehicle Expense	6,399	4,753
Depreciation	144,590	144,456
Office Supplies & Printing	113	4,500
Telephone Expense		4,500
Other Miscellaneous Expense	825	6,000
Licenses, Permits & Taxes	131	2,787
TOTAL OPERATING EXPENSES	(1) 692,129	975,541
OPERATING PROFITS (LOSSES)	(582,904)	(864,725)

(1) Operating Expenses during the fiscal year ending August 31, 2007 do not reflect an allocation of corporate overhead, corporate administrative costs or other expenses that were assignable to Avondale's water and sewer operations.

# EXHIBIT E

## **Proposed Revenues**

## EXHIBIT E

### AVONDALE MILLS, INC. CALCULATION OF PROPOSED WATER AND SEWER REVENUE

#### CUSTOMER CATEGORY:

##### 1) RESIDENTIAL WATER ONLY

42 Customers

3,250,000 Gallons – Annual Consumption

Current Water BFC	\$3.00
Proposed Water BFC	\$8.00
Current Water Commodity Charge	\$.51 per 1000
Proposed Water Commodity Charge	\$4.50 per 1000
Annualized Water Revenue - Current Rates	\$3,170
Annualized Water Revenue - Proposed Rates	\$18,657
Average Monthly Water Bill - Current Rates	\$6.29
Average Monthly Water Bill – Proposed Rates	\$37.02

##### 2) RESIDENTIAL WATER AND SEWER

469 Customers

26,250,000 Gallons – Annual Consumption

Current Water BFC	\$3.00
Proposed Water BFC	\$8.00
Current Sewer BFC	\$2.05
Proposed Sewer BFC	\$6.00
Current Water Commodity Charge	\$.51 per 1000
Proposed Water Commodity Charge	\$4.50 per 1000
Current Sewer Commodity Charge	\$.87 per 1000
Proposed Sewer Commodity Charge	\$6.50 per 1000
Annualized Water and Sewer Revenue Current Rates	\$64,646
Annualized Water and Sewer Revenue Proposed Rates	\$367,542
Average Monthly Water and Sewer Bill – Current Rates	\$11.49
Average Monthly Water and Sewer Bill – Proposed Rates	\$65.31

3) APARTMENT COMPLEX – MULTIPLE BUILDINGS SERVED BY A  
SINGLE METER:

1 Customer

8,000,000 Gallons - Annual Consumption

Current Water BFC	\$3.00
Proposed Water BFC	\$50.00
Current Sewer BFC	\$2.05
Proposed Sewer BFC	\$35.00
Current Water Commodity Charge	\$.51 per 1000
Proposed Water Commodity Charge	\$4.50 per 1000
Current Sewer Commodity Charge	\$.87 per 1000
Proposed Sewer Commodity Charge	\$6.50 per 1000
Annualized Water and Sewer Revenue Current Rates	\$11,101
Annualized Water and Sewer Revenue Proposed Rates	\$89,020
Average Monthly Water and Sewer Bill – Current Rates	\$925.05
Average Monthly Water and Sewer Bill – Proposed Rates	\$7,418.33

4) IRRIGATION

73 Customers

6,750,000 Gallons – Annual Consumption

Current Water BFC	\$3.00
Proposed Water BFC	\$12.00
Current Water Commodity Charge	\$.51 per 1000
Proposed Water Commodity Charge	\$5.65 per 1000
Annualized Water Revenue Current Rates	\$6,071
Annualized Water Revenue Proposed Rates	\$48,650
Average Monthly Water Bill – Current Rates	\$6.93
Average Monthly Water Bill – Proposed Rates	\$55.54

## 5) COMMERCIAL WATER ONLY

7 Customers

1,500,000 Gallons – Annual Consumption

Current Water BFC	\$3.00
Proposed Water BFC	\$8.00
Current Water Commodity Charge	\$51. per 1000
Proposed Water Commodity Charge	\$4.50 per 1000
Annualized Water Revenue Current Rates	\$1,017
Annualized Water Revenue Proposed Rates	\$7,422
Average Monthly Water Bill – Current Rates	\$12.11
Average Monthly Water Bill – Proposed Rates	\$88.36

## 6) COMMERCIAL SEWER ONLY

1 Customer

250,000 Gallons – Annual Consumption

Current Sewer BFC	\$2.05
Proposed Sewer BFC	\$6.00
Current Sewer Commodity Charge	\$.87 per 1000
Proposed Sewer Commodity Charge	\$6.50 per 1000
Annualized Sewer Revenue Current Rates	\$242
Annualized Sewer Revenue Proposed Rates	\$1,697
Average Monthly Sewer Bill – Current Rates	\$20.18
Average Monthly Sewer Bill – Proposed Rates	\$141.42

## 7) COMMERCIAL WATER AND SEWER

21 Customers

3,750,000 Gallons – Annual Consumption

Current Water BFC	\$3.00
Proposed Water BFC	\$8.00
Current Water Commodity Charge	\$.51 per 1000
Proposed Water Commodity Charge	\$4.50 per 1000
Current Sewer BFC	\$2.05
Proposed Sewer BFC	\$6.00
Current Sewer Commodity Charge	\$.87 per 1000
Proposed Sewer Commodity Charge	\$6.50 per 1000
Annualized Water and Sewer Revenue Current Rates	\$6,448
Annualized Water and Sewer Revenue Proposed Rates	\$44,778
Average Monthly Water and Sewer Bill – Current Rates	\$25.59
Average Monthly Water and Sewer Bill – Proposed Rates	\$177.69

## 8) INDUSTRIAL WATER AND SEWER CUSTOMERS

3 Customers

13,000,000 Gallons – Annual Consumption

Current Water BFC	\$3.00
Proposed Water BFC	\$50.00
Current Water Commodity Charge	\$.51 per 1000
Proposed Water Commodity Charge	\$4.50 per 1000
Current Sewer BFC	\$2.05
Proposed Sewer BFC	\$35.00
Current Sewer Commodity Charge	\$.87 per 1000
Proposed Sewer Commodity Charge	\$6.50 per 1000
Annualized Water and Sewer Revenue Current Rates	\$18,122
Annualized Water and Sewer Revenue Proposed Rates	\$146,060
Average Monthly Water and Sewer Bill – Current Rates	\$503.38
Average Monthly Water and Sewer Bill – Proposed Rates	\$4,057.22

# EXHIBIT F

**Fixed Assets**  
**August 29, 2008**

**GRANITEVILLE WATER SYSTEM**  
LOCATION NUMBER 5225  
FIXED ASSETS

Asset Number	Description	Date Acquired	Life	Cost	Depreciation Per Month	Accumulated Depreciation At 12/31/04	Accumulated Depreciation At 8/26/05	Accumulated Depreciation At 5/26/06	Accumulated Depreciation At 8/25/06	Accumulated Depreciation At 8/31/07	Accumulated Depreciation At 8/29/08
<b>BUILDINGS (DESIGN)</b>											
137250	Water system design	06/01/01	30	18,764.96	52.12	2,241.37	2,658.37	3,127.49	3,283.87	3,909.37	4,534.87
137591	Water system design	08/01/01	30	38,753.86	107.65	4,413.63	5,274.83	6,243.68	6,566.63	7,858.42	9,150.22
				57,518.82	159.77	6,655.00	7,933.20	9,371.17	9,850.49	11,767.79	13,685.08
<b>MACHINERY &amp; EQUIPMENT</b>											
137493	Engineering services	08/01/01	9	4,000.00	37.04	1,518.52	1,814.81	2,148.15	2,259.26	2,703.70	3,148.15
138088	Water system upgrade	03/01/02	9	132,586.74	1,227.66	41,740.27	51,561.51	62,610.41	66,293.37	81,025.23	95,757.09
138089	Water system upgrade	03/01/02	9	86,223.00	798.36	27,144.28	33,531.17	40,716.42	43,111.50	52,691.83	62,272.17
138222	Water system upgrade	05/01/02	9	96,105.00	889.86	28,475.56	35,594.44	43,603.19	46,272.78	56,951.11	67,629.44
138223	Water system upgrade	05/01/02	9	110,321.00	1,021.49	32,687.70	40,859.63	50,063.05	53,117.52	65,375.41	77,633.30
138224	Water system upgrade	05/01/02	9	4,300.00	39.81	1,274.07	1,592.59	1,950.93	2,070.37	2,548.15	3,025.93
138312	Water system upgrade	06/01/02	9	1,300.00	12.04	373.15	469.44	577.78	613.89	758.33	902.78
138313	Water system upgrade	06/01/02	9	42,473.00	393.27	12,191.32	15,337.47	18,876.89	20,056.69	24,775.92	29,495.14
138314	Water system upgrade	06/01/02	9	92,385.00	855.42	26,517.92	33,361.25	41,060.00	43,626.25	53,891.25	64,156.25
138329	Maintenance labor	06/01/02	9	93.10	0.86	26.72	33.62	41.38	43.96	54.31	64.65
138385	Water system upgrade	07/01/02	9	4,685.24	43.38	1,301.46	1,648.51	2,038.95	2,169.09	2,689.67	3,210.26
138386	Water system upgrade	07/01/02	9	59,931.00	584.92	16,647.50	21,086.83	26,081.08	27,745.83	34,404.83	41,063.83
138387	Water system upgrade	07/01/02	9	21,031.00	194.73	5,841.94	7,399.80	9,152.38	9,736.57	12,073.35	14,410.13
138463	Goulds pump	08/01/02	9	22,234.93	205.88	5,970.49	7,617.52	9,470.43	10,088.07	12,558.62	15,029.17
138464	Water system upgrade	08/01/02	9	55,559.00	514.44	14,918.62	19,034.10	23,684.02	25,207.32	31,380.55	37,553.77
138465	8" & 6" valves	08/01/02	9	6,571.00	60.84	1,764.44	2,251.18	2,798.76	2,981.29	3,711.40	4,441.51
138563	Water system upgrade	09/01/02	9	34,124.00	315.96	8,846.96	11,374.67	14,218.33	15,166.22	18,957.78	22,749.33
138564	Water system upgrade	09/01/02	9	8,026.00	74.31	2,080.81	2,675.33	3,344.17	3,567.11	4,458.89	5,350.67
138567	M-900 PLC pipe	09/01/02	9	10,208.00	94.52	2,646.52	3,402.67	4,253.33	4,536.89	5,671.11	6,805.33
138568	Water system upgrade	09/01/02	9	38,763.00	358.92	10,049.67	12,921.00	16,151.25	17,228.00	21,535.00	25,842.00
138736	Upgrade water system	11/01/02	9	2,864.00	26.52	689.48	901.63	1,140.30	1,219.85	1,538.07	1,856.30
138755	Water system upgrade	11/01/02	9	1,725.85	15.98	415.48	543.32	687.14	735.08	926.85	1,118.61
138896	Water system upgrade	01/01/03	9	3,705.00	34.31	823.33	1,097.78	1,406.53	1,509.44	1,921.11	2,332.78
138897	Flowserve tank	01/01/03	9	4,950.00	45.83	1,100.00	1,466.67	1,879.17	2,016.67	2,566.67	3,116.67
138898	AC Model 3408 pump	01/01/03	9	7,970.80	73.80	1,771.29	2,361.72	3,025.95	3,247.36	4,133.01	5,018.65
139005	Water system upgrade	02/01/03	9	17,049.78	157.87	3,630.97	4,893.92	6,314.73	6,788.34	8,682.76	10,577.18
139104	Survey and test water flow	03/01/03	9	746.00	6.91	151.96	207.22	269.39	290.11	373.00	455.89
139717	6" & 8" valves	10/01/03	9	8,278.00	76.65	1,149.72	1,762.91	2,452.74	2,682.69	3,602.46	4,522.24
139763	Freight	11/01/03	9	360.83	3.34	46.77	73.50	103.57	113.59	153.69	193.78
139764	Electric labor	11/01/03	9	790.02	7.32	102.41	160.93	226.77	248.71	336.49	424.27
139815	900 MHz repeater system	12/01/03	9	10,241.98	94.83	1,232.83	1,991.50	2,844.99	3,129.49	4,267.49	5,405.49

139816	Electric labor	12/01/03	9	1,401.84	12.98	168.74	272.58	389.40	428.34	584.10	739.86
139817	SS valve box	12/01/03	9	392.00	3.63	47.19	76.22	108.89	119.78	163.33	206.89
139818	Water line & french drains	12/01/03	9	59,275.00	548.84	7,134.95	11,525.69	16,465.28	18,111.81	24,697.92	31,284.03
139819	Water system upgrade	12/01/03	9	2,001.84	18.54	240.96	389.25	556.07	611.67	834.10	1,056.53
139857	Electric labor	01/01/04	9	1,022.17	9.46	113.57	189.29	274.47	302.87	416.44	530.01
140396	Pipe fittings	10/01/04	9	484.89	4.49	13.47	49.39	89.79	103.26	157.14	211.02
140445	Honeywell Truline recorder	11/01/04	9	1,853.64	17.16	34.33	171.63	326.10	377.59	583.55	789.51
140495	Electric materials	12/01/04	9	251.27	2.33	2.33	20.94	41.88	48.86	76.78	104.70
140496	Ph controls	12/01/04	9	6,024.00	55.78	55.78	502.00	1,004.00	1,171.33	1,840.67	2,510.00
	Water system upgrade	05/01/05	9	955.97	8.85		32.18	111.94	218.16	324.37	430.59
				963,264.89	8,919.12	260,943.49	332,257.81	412,529.98	439,367.01	546,396.44	653,425.87
	Total			1,020,783.71	9,078.89	267,598.50	340,191.01	421,901.15	449,217.50	558,164.23	667,110.95
							FY 2006 Depreciation		109,026.49		
							FY 2007 Depreciation			108,946.73	
							FY 2008 Depreciation				108,946.73

**GRANITEVILLE SEWER SYSTEM**  
**LOCATION NUMBER 5226**  
**FIXED ASSETS**

<u>Asset Number</u>	<u>Description</u>	<u>Date Acquired</u>	<u>Life</u>	<u>Cost</u>	<u>Depreciation Per Month</u>	<u>Accumulated Depreciation At 12/31/04</u>	<u>Accumulated Depreciation At 8/26/05</u>	<u>Accumulated Depreciation At 5/26/06</u>	<u>Accumulated Depreciation At 8/25/06</u>	<u>Accumulated Depreciation At 8/31/07</u>	<u>Accumulated Depreciation At 8/29/08</u>
<b>LAND</b>											
126775	1.58 acres	05/01/96		12,640.00							
<b>BUILDINGS</b>											
126776	Water treatment building	05/01/96	20	110,000.00	458.33	47,666.67	51,333.33	55,458.33	56,833.33	62,333.33	67,833.33
<b>MACHINERY &amp; EQUIPMENT</b>											
127219	Waste water discharge upgrade	08/01/96	9	3,000.00	27.78	2,805.56	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
127220	Waste water discharge upgrade	08/01/96	9	384.47	3.56	359.55	384.47	384.47	384.47	384.47	384.47
127221	Waste water piping	08/01/96	9	1,120.64	10.38	1,048.01	1,120.64	1,120.64	1,120.64	1,120.64	1,120.64
127690	Waste water piping	11/01/96	9	1,280.52	11.86	1,161.95	1,256.81	1,280.52	1,280.52	1,280.52	1,280.52
127813	Equalization lagoon piping	12/01/96	9	281,438.45	2,605.91	252,773.42	273,620.72	281,438.45	281,438.45	281,438.45	281,438.45
127814	Lagoon piping project	12/01/96	9	1,486.38	13.76	1,334.99	1,445.09	1,486.38	1,486.38	1,486.38	1,486.38
127815	Equalization lagoon upgrade	12/01/96	9	41,112.55	380.67	36,925.16	39,970.53	41,112.55	41,112.55	41,112.55	41,112.55
127966	Waste water piping	01/01/97	9	4,277.94	39.61	3,802.61	4,119.50	4,277.94	4,277.94	4,277.94	4,277.94
137705	Engineering labor	09/01/01	9	7,680.00	71.11	2,844.44	3,413.33	4,053.33	4,266.67	5,120.00	5,973.33
137846	Engineering for sewer system	11/01/01	9	1,600.00	14.81	562.96	681.48	814.81	859.26	1,170.37	1,348.15
137906	Sanitary sewer line	12/01/01	9	23,435.53	217.00	8,028.84	9,764.80	11,717.77	12,368.75	14,972.70	17,576.65
137963	Sewer design	01/01/02	9	4,774.23	44.21	1,591.41	1,945.06	2,342.91	2,475.53	3,006.00	3,536.47
137964	Divert sanitary sewer	01/01/02	9	38,470.57	356.21	12,823.52	15,673.20	18,879.08	19,947.70	24,222.21	28,496.72
138025	Sewer system upgrade	02/01/02	9	2,400.00	22.22	777.78	955.56	1,155.56	1,222.22	1,488.89	1,755.56
138185	Sewer system upgrade	04/01/02	9	174,592.00	1,616.59	53,347.56	66,280.30	80,829.63	85,679.41	105,078.52	124,477.63
138570	Sewer system upgrade	09/01/02	9	1,835.45	16.99	475.86	611.82	764.77	815.76	1,019.69	1,223.63
139105	Ph control	03/01/03	9	15,300.00	141.67	3,116.67	4,250.00	5,525.00	5,950.00	7,650.00	9,350.00
				604,188.73	5,594.34	383,780.29	428,493.30	460,183.80	467,686.24	497,829.33	527,839.08
				<b>Total</b>							
				726,828.73	6,052.67	431,446.96	479,826.63	515,642.14	524,519.58	560,162.66	595,672.42

FY 2006 Depreciation 44,692.95

FY 2007 Depreciation 35,643.09

FY 2008 Depreciation 35,509.75

# EXHIBIT G

**Current Customer Bill Form**

**AVONDALE MILLS, INC.  
WATER BILL**

**PLEASE REMIT PAYMENT TO:**  
**AVONDALE MILLS, INC.**  
**P.O. BOX 128**  
**GRANITEVILLE, SC 29829**

**PHONE: 803-663-2526**  
**803-617-9277**  
**803-645-6136**

**ACCOUNT #:** [REDACTED]

**11/13/2008**

<b>PREVIOUS READING</b>	<b>CURRENT READING</b>	<b>CURRENT USAGE</b>	
<b>497</b>	<b>506</b>	<b>9000</b>	<b>GALLONS</b>

**PREV BALANCE** **\$12.89**

**CURRENT MONTH CHARGES** **\$17.47**

**ADJUSTMENTS** **\$0.00**

<b>TOTAL DUE</b>	<b>\$30.36</b>
------------------	----------------

---

**PLEASE RETURN BOTTOM PORTION WITH YOUR PAYMENT**

**PAYMENT DUE ON THE 15TH OF THE MONTH**

[REDACTED]  
[REDACTED] STREET

<b>ACCOUNT #:</b>	<b>AMOUNT DUE</b>
-------------------	-------------------

# **EXHIBIT H**

**Most Recent Approval Letters From the  
South Carolina Department of Health  
and Environmental Control**

BOARD:  
Paul C. Aughtry, III  
Chairman  
Edwin H. Cooper, III  
Vice Chairman  
Steven G. Kisner  
Secretary



C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment*

BOARD:  
Henry C. Scott  
M. David Mitchell, MD  
Glenn A. McCall  
Coleman F. Buckhouse, MD

December 16, 2008

Mr. Scott Elliott  
Elliot & Elliott, P.A.  
721 Olive Street  
Columbia, SC 29205

RE: Avondale Mills Water and Sewer Systems  
Sewer: SSS000003  
Water: 0240002

Dear Mr. Elliott:

In the context of a PSC rate case, the system above has the proper operating permits as noted.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonet, P.E., Director  
Water Facilities Permitting Division

ORIGINAL

## CERTIFICATE OF SERVICE

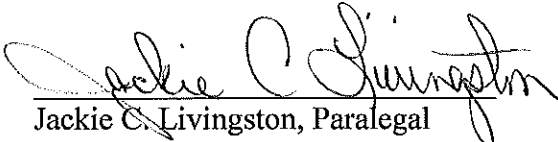
The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the Application of Avondale Mills, Inc. to the persons indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of Avondale Mills, Inc. for Approval of New  
Schedule of Rates and Chares for Water and Sewage  
Services Provided to Customers

Docket No.: 2008-

PARTIES SERVED: C. Dukes Scott, Esquire  
ORS  
P. O. Box 11263  
Columbia, SC 29211

RECEIVED  
2008 DEC 23 PM 12:07  
SC PUBLIC SERVICE  
COMMISSION

  
Jackie C. Livingston, Paralegal

December 23, 2008